

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF RHODE ISLAND**

STATE OF COLORADO, et al.,

Plaintiffs,

v.

U.S. DEPARTMENT OF HEALTH AND HUMAN  
SERVICES, et al.,

Defendants.

**DECLARATION OF SARA GAGNÉ-HOLMES**

I, Sara Gagné-Holmes, declare as follows:

1. I am a resident of the State of Maine. I am over the age of 18 and have personal knowledge of all the facts stated herein, except to those matters stated upon information and belief; as to those matters, I believe them to be true. If called as a witness, I could and would testify competently to the matters set forth below.

2. I am currently employed by the State of Maine Department of Health and Human Services “Maine DHHS” as its Commissioner.

3. As part of my duties as Commissioner, I am responsible for, and oversee, the administration of Maine DHHS, its offices, programs, and services.

4. Our agency recently received 6 award terminations: 4 from the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (“CDC”), and 2 from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services

Administration (“SAMHSA”). The total value of the terminated awards was approximately \$91,272,214 .

5. Upon information and belief, all terminations from the CDC to Maine DHHS stated that they were “for cause” based on the end of the COVID pandemic, rather than failure of Maine DHHS to follow the terms or conditions of the grants. Each CDC award termination uses the same identical form language stating that: “The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out.”

6. Upon information and belief, each SAMHSA grant was terminated on March 24, 2025, by notice stating that: “The basis for the grant termination was that the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (H.R.6074) (CRRSA) and the American Rescue Plan (ARP) Act of 2021(H.R. 1319) were issued for a limited purpose: To ameliorate the effects of the pandemic. On April 10, 2023, President Biden signed PL 188-3 terminating the national emergency concerning the COVID-19 pandemic. “The end of the pandemic provides cause to terminate COVID-related grants. Now that the pandemic is over, the grants are no longer necessary.” The grants were terminated “to reduce the overall Federal spending” as part of the implementation of the President’s “Department of Government Efficiency” Cost Efficiency Initiative requiring a comprehensive review of SAMHSA grants, and where appropriate and consistent with applicable law, to terminate such grants. No other information or clarification was provided.

7. Upon information and belief, on March 28, 2025, SAMHSA sent notice which “replaces and supersedes the previous notice” terminating the grant “for cause” stating that termination is permitted if: “the state ‘has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved.’ The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out.” The March 28, 2025 notice did not, however, specify the terms or conditions of the agreement which it believes the state failed to comply with.

8. Upon information and belief, on March 29, 2025, SAMHSA sent another notice regarding the Community Block Grant for Mental Health Services with instructions to find a Notice of Award regarding the grant. The Notice of Award, dated March 28, 2025, notified Maine DHHS that it was awarding a grant in the amount of \$0 for the period September 1, 2021 through March 24, 2025. The Notice of Award went on to state that the award was being terminated “for cause”. The stated basis for cause was, “state has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved. The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out.”

9. Descriptions of each award and the effects of these terminations follow.

**Immunization and Vaccines for Children [6NH23IP922604-05-09]**

10. Upon information and belief, in 2019, the Centers for Disease Control and Prevention invited applications for IP19-1901: Immunization and Vaccines for Children.

11. Upon information and belief, the purpose of the grant was to build upon the Vaccines for Children (“VFC”) entitlement program created by Congress in 1993 to improve vaccine availability nationwide. As part of the VFC program, the CDC purchases vaccines at a discount, then distributes them to program providers at the direction of awardees, like Maine DHHS, who receive operational funding to implement and oversee their respective VFC programs. Specifically, the purpose of this grant was to support public health systems to ensure high vaccination coverage, lower the incidence of vaccine preventable diseases (VPD), and increase the ability to respond to VPD threats.

12. Upon information and belief, as set out in its grant proposal, Maine DHHS intended to use the Immunization and Vaccines for Children grant to enhance programmatic accountability, assess program performance, assure access to vaccine across a very large geographic area, enhance Maine’s Immunization Information System (IIS), and conduct and participate in in preparedness activities.

13. Upon information and belief, on June 24, 2019, CDC produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the Notice of Award and its attachments, dated June 24, 2019, is attached as Exhibit A.

14. Upon information and belief, the Immunization and Vaccines for Children grant is a five-year grant that was initially awarded on June 24, 2019, and was slated to end on June 30, 2024. However, the CDC granted an extension of the term of the award to December 31, 2024, then extended it a second time to June 30, 2025.

15. Upon information and belief, since July 2019, Maine DHHS has used the Immunization and Vaccines for Children grant funds in a manner fully consistent with CDC's statements regarding the nature of the grant and Maine DHHS's grant application.

16. Upon information and belief, Maine DHHS has utilized these funds to expand access to vaccines, enhance Maine's IIS, enhance program accountability and performance, engage with racial and ethnic minority groups, and support vaccine clinic activities. Through the enhancement of the IIS, additional work force, and mini grants to ethnic community-based organizations, Maine DHHS's immunization program was able to enroll and supply vaccines to over 800 provider locations. This work resulted in vaccination of over 95% of the state's adult population for COVID-19, while ensuring health equity.

17. Upon information and belief, Maine DHHS received several supplemental funding awards under this grant, beginning on June 4, 2020, and continuing through November 11, 2024. These supplemental funds supported work for emergent needs above and beyond a response to the COVID-19 public health emergency. CDC issued guidance allowing states to utilize funds for building or enhancing adult vaccination programs, funding community-based organizations, enhancing vaccine confidence through messaging, and bolstering Immunization Information Systems.

18. Upon information and belief, although Maine DHHS is still in the process of determining the amounts of any invoices processed after the date of termination for work done prior to the date of termination, as of March 24, 2025, approximately \$25,058,872 dollars remain in funds committed by CDC to Maine DHHS. The award's end date was originally set as June 30, 2025, but CDC allowed states to submit no cost extension requests to extend the availability of these funds, and the project term, to June 30, 2027. Maine DHHS submitted a timely request for

such an extension; accordingly, it expected these funds to remain available through 2027. Maine DHHS intended to use these funds in its continuing effort to increase vaccine access and confidence, as well as to bolster Maine's capacity to respond to outbreaks of VPD and build sustainability in the public health infrastructure and workforce. In addition, Maine DHHS intended to use the funds to continue to support the IIS.

19. Upon information and belief, at the time of termination, Maine DHHS was drawing down from Payment Management Systems on a daily basis to ensure accurate and timely cash management. The majority of the payments were based on a reimbursement model, with some contracts utilizing a cash settled agreement.

20. Upon information and belief, Maine DHHS has a long history of being an excellent custodian of all grant funding. Grants compliance is of the utmost importance, as demonstrated by Maine DHHS's timely submissions and compliance with all grant reporting requirements since the start of the grant period. CDC indicated that Maine DHHS programmatic updates and financial reports demonstrated satisfactory progress, and made no recommendations for improvements. As of the last reporting period, CDC commended Maine DHHS for its extensive partnerships and outreach.

21. Upon information and belief, on March 24, 2025, without any prior notice or indication, CDC issued a Notice of Award Amendment informing Maine DHHS that effective March 24, 2025 any remaining COVID-19 funding in Document Numbers 19NH23IP922604C3, 20NH23IP922604C5, 20NH23IP922604C6, and 20NH23IP922604IISC6 of its Immunization and Vaccines for Children Grant was terminated as of March 24, 2025. A true and correct copy of the termination notice is attached as Exhibit B.

22. On March 25, 2025, at 7:17 a.m., Maine DHHS received an email with the subject line “The Grant for Maine Department Of Health And Human Services (6 NH23IP922604-05-09) has been awarded.” Attached was a Notice of Award terminating remaining COVID funds *and* all core operational funds which support non-COVID related work. Shortly thereafter, CDC submitted a grant note in the GrantSolutions portal acknowledging that this was an error and stating that a new Notice of Award would be issued. The new Notice of Award, dated March 25, 2025, reallocated core operational funds without terms and conditions, but terminated all COVID-related funding.

23. According to CDC, the grant termination was for cause. The notice asserted that “the end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperatives are no longer necessary as their limited purpose has run out.”

24. Upon information and belief, Maine DHHS relied and acted upon its expectation and understanding that CDC would fulfill its commitment to provide the Immunization and Vaccines for Children Grant funding it had awarded to Maine DHHS. As a result of its reliance on this funding, Maine DHHS has existing contract obligations for these funds to support employment of staff and community-based organizations, enhance the IIS, provide statewide vaccine education, and enhance a consumer access-based application. As a result of the termination of the grant award, these obligations will now go unmet without any prior notice to vendors. Staffing has been precipitously reduced without adequate preparation, and critical modifications to the IIS, which serves as a central repository for the state’s immunization records, remain incomplete.



25. Upon information and belief, termination of these funds jeopardizes the sustainability of the IIS, limits response capabilities, and threatens partnerships with organizations. Funding was intended to be used to support emergency response effort through training and purchasing mobile clinic pods and equipment that could be deployed across the state – both of which would be critical, lifesaving assets during an outbreak response. Other funds were allocated to support community-based organizations and other healthcare partners to extend the reach of response efforts and routine vaccination efforts to include the most remote parts of the state. Pulling back this funding puts Maine DHHS's partners at financial risk and strains the relationships that have been established over the past five years.

26. Upon information and belief, prior to terminating the grant award, CDC had never provided Maine DHHS with notice, written or otherwise, that Maine DHHS's administration of the grant funds, or the public health improvements effected with those grant funds, were in any way unsatisfactory.

**Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) – Building and Strengthening Epidemiology, Laboratory and Health Information Systems Capacity in State and Local Health Departments [6NU5OCK000523-523-05-08]**

27. Upon information and belief, in 2019, CDC invited applications for Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC).

28. Upon information and belief, the ELC grant builds upon the ELC a program CDC initiated in 1995 to address emerging infectious disease threats. The purpose of this grant is to enhance the capacity of public health agencies to effectively detect, prevent, control, and respond to known and emerging (or re-emerging) infectious diseases. This purpose is accomplished by providing financial and technical resources to: (1) strengthen epidemiologic capacity; (2) enhance laboratory capacity; (3) improve information systems; and (4) enhance collaboration among



epidemiology, laboratory, and information system components of public health departments. CDC issues updated guidance and modifications annually along with guidance for any awards issued outside the normal funding cycle. These guidance documents can include hundreds of pages of information, which Maine DHHS reviews and ensures compliance with.

29. Upon information and belief, as set out in its grant proposal, Maine DHHS intended to use the ELC grant to build public health infrastructure, perform infectious disease surveillance and control, maintain and enhance laboratory operations for infectious disease, identify and reduce healthcare acquired infections, increase health literacy and education, build informatics systems and work towards data modernization and interoperability. ELC is a major funder of Maine DHHS's infectious disease epidemiology program, public health laboratory, and healthcare epidemiology team. The ELC is therefore critical in supporting the health and wellness of Maine residents.

30. Upon information and belief, Maine DHHS received a Notice of Award on July 10, 2019 for the project period of August 1, 2019 through July 31, 2024. A true and correct copy of the corresponding Notice of Award is attached as Exhibit C.

31. Upon information and belief, Maine DHHS completed, and CDC approved, annual renewal applications through 2023. CDC issued a no-cost extension for select ELC funds extending the project period through July 31, 2026. In 2024, CDC issued new ELC funding for a project period of August 1, 2024 through July 31, 2029. Maine DHHS has used the ELC grant funds in a manner fully consistent with CDC's statements regarding the nature of the grant and Maine DHHS' grant application.

32. Upon information and belief, Maine DHHS has used ELC grant funds to support COVID-19 case and outbreak investigations, contact tracing, laboratory sampling and testing,

social supports for maintaining isolation and quarantine, building infrastructure, technology costs, informatics improvements, data automation, health education expansion, surveillance and data analytics, accessible data dashboards, public health laboratory modernization, coordination of response across multiple state agencies, and emergency preparedness.

33. Upon information and belief, although Maine DHHS is still in the process of determining the amounts of any invoices processed after the date of termination for work done prior to the date of termination, as of March 24, 2025, approximately \$58,083,966 remained committed to Maine DHHS for the project period ending July 31, 2026.

34. Upon information and belief, Maine DHHS has a long history of being an excellent custodian of all grant funding. Grants compliance is of the utmost importance, as demonstrated by Maine DHHS's timely submissions and compliance with all grant reporting requirements since the start of the grant period. CDC indicated that Maine DHHS programmatic updates and financial reports demonstrated satisfactory progress and made no recommendations for improvements. Maine DHHS provided routine progress reports throughout the lifespan of the funding, completed performance measure tracking, and routinely met with its assigned CDC Project Officer.

35. On March 25, 2025, without any prior notice or indication, CDC informed Maine DHHS that, effective March 24, 2025, four funding lines for the ELC grant were being terminated. A true and correct copy of the grant award termination is attached as Exhibit D. According to CDC, the grant termination was "for cause." The notice asserted that "the end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperatives are no longer necessary as their limited purpose has run out."

36. Maine DHHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide the ELC funding it awarded to Maine DHHS. As a result of its reliance on this funding, Maine DHHS has encumbered contracts supported by ELC funds to support staffing efforts which include over 60 staff at least partially funded by the ELC; support infrastructure including servers, databases, data system licenses, maintenance agreements, data analytics, software upgrade data systems, including the laboratory information management system, the national electronic disease surveillance system, syndromic surveillance, bed availability, and the consult tracking system; modernize lab space and equipment ensuring safety and efficiency for lab employees; support community needs assessment; and conduct educational outreach including a planned respiratory media campaign, and large orders of printed materials that were intended to be released statewide.

37. As a result of the sudden termination of these funds, Maine DHHS has been forced to cancel contracts, race to notify affected staff so they would not work without pay, abruptly end direct services, realign data modernization priorities, and seek alternative sources of funding for critical infrastructure costs.

38. Prior to the March 25, 2025 grant award termination, CDC never provided Maine DHHS with notice, written or otherwise, that Maine DHHS's administration of the grant funds, or the public health improvements effected with those funds, were in any way unsatisfactory.

**Maine's Initiative to Address COVID-19 Health Disparities Among Populations at High Risk and Undeserved, Including Racial and Ethnic Minority Populations and Rural Communities [6NH75OT000043-01-04]**

39. Upon information and belief, in 2021, the CDC invited applications for CDC-RFA-OT21 2103: National Initiative to Address COVID-19 Health Disparities Among Populations at

High-Risk and Underserved, Including Racial and Ethnic Minority Populations and Rural Communities (“Disparities”).

40. Upon information and belief, the purpose of the Disparities grant was used to address COVID-19 related health disparities and advance health equity by expanding state, local, U.S. territorial, and freely associated state health department capacity and services in order to: reduce COVID-19 related health disparities; improve and increase testing and contact tracing among populations at higher risk and that are underserved, including racial and ethnic minority groups and people living in rural communities; and improve state, local, and U.S. territorial and freely associated state health department capacity and services to prevent and control COVID-19 infection or transmission among populations at higher risk and that are underserved, including racial and ethnic minority groups and people living in rural communities. The original grant period was for two years, beginning on June 1, 2021 and ending on May 31, 2023.

41. Upon information and belief, as set out in its grant proposal, Maine DHHS intended to use the Disparities grant to put into action a series of initiatives aimed at decreasing health disparities among the following communities disproportionately impacted by COVID-19 morbidity and mortality in Maine: Black, Indigenous, and People of Color (BIPOC), New Mainers, and rural communities. Maine DHHS’ Office of Population Health Equity intended to lead these grant initiatives across in collaboration with others within Maine DHHS.

42. Upon information and belief, in May 2021, Maine DHHS received notice that its grant application was approved for a two-year performance and budget period beginning June 1, 2021 and ending May 31, 2023. All future funding would be based on satisfactory programmatic progress and availability of funds. During the course of the grant period, Maine DHHS received two no cost extensions to the grant period. The first no cost extension was awarded on March 30,

2022 and extended the grant period from May 31, 2023 to May 31, 2024. The second no cost extension was awarded on January 11, 2024 and extended the grant period from May 31, 2024 to May 31, 2026.

43. Upon information and belief, on May 28, 2021, CDC produced a Notice of Award setting forth the terms and conditions of the Disparities Grant. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 28, 2021, is attached as Exhibit E. As set forth therein, termination of the grant by CDC is permitted only if a recipient or subrecipient has materially failed to comply with the terms and conditions of the award. As also set forth therein, CDC must notify the recipient if the federal award is terminated for failure to comply with the federal statutes, regulations, or terms and conditions of the federal award

44. Upon information and belief, since May 2021, Maine DHHS has used the Disparities grant in a manner fully consistent with CDC's statements regarding the nature of the grant and Maine DHHS's grant application.

45. Upon information and belief, Maine DHHS has used the grant funds to expand Maine state and community capacity and services to address health disparities among populations disproportionately impacted by COVID-19. Fourteen projects were funded through the grant, including several sub-projects, which sought to address the following priorities: improved data collection, management, analysis, and reporting; increased community and cross-sectoral partnerships; and expanded workforce and capacity to address health disparities in Maine. Slightly more than half of the grant award amount was distributed to community-based organizations statewide. This enabled community organizations directly serving populations in Maine disproportionately impacted by COVID-19 morbidity and mortality to effectively address health disparities within their communities, either through direct service provision to community

members, or by investing in their organizational infrastructure to ensure their sustained ability to engage in necessary direct service provision to community members beyond the grant period. Remaining grant funds were utilized for the following purposes: engagement in health equity data analysis to increase the Maine DHHS understanding of the health-related needs and challenges among priority populations; engagement in equity-capacity building to increase the Maine DHHS ability to implement equity-informed strategies; engagement in a perinatal health disparities evaluation to address maternal morbidity and mortality in Maine; dissemination of culturally and linguistically appropriate communications to support Maine DHHS with maintaining member enrollment in Medicaid during and after the COVID-19 public health emergency; investment in rural health networks and workforce development to address health disparities among populations in Maine living rurally, including investment in Emergency Medical Services Community Paramedicine and Systems of Care and rural telehealth systems; investment in school-based health centers to support Maine youth with behavioral and oral health needs; and investment in public health emergency preparedness and response systems throughout Maine.

46. Upon information and belief, although Maine DHHS is still in the process of determining the amounts of any invoices processed after the date of termination for work done prior to the date of termination, as of March 24, 2025, approximately \$4,869,487 of Disparities Grant funding remains, and with approximately \$2,000,000 of that amount already encumbered into contracts. Consistent with its work plan approved by CDC, Maine DHHS intended to reallocate the remaining Disparities grant funds to existing Maine DHHS initiatives in order to maximize the impact of the committed grant funds by the previously established performance end date of May 31, 2026.

47. Upon information and belief, Maine DHHS has a long history of being an excellent custodian of all grant funding. Grants compliance is of the upmost importance and is demonstrated by timely submissions and compliance with all grant and reporting requirements since the start of the grant period. CDC indicated that Maine DHHS programmatic updates and financial reports demonstrated satisfactory progress and no recommendations for improvement were ever made.

48. Upon information and belief, on March 25, 2025, without any prior notice or indication, CDC informed Maine DHHS that effective March 24, 2025 its Disparities grant was being terminated as of March 24, 2025. A true and correct copy of the grant award termination Notice of Award is attached as Exhibit F.

49. Upon information and belief, according to CDC, the grant termination was for cause. The notice asserted that “the end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperatives are no longer necessary as their limited purpose has run out.”

50. Upon information and belief, on March 25, 2025 Maine DHHS received an email notification from [noreply@grantsolutions.com](mailto:noreply@grantsolutions.com) with subject line: “The Grant for Maine Department of Health and Human Services (6 NH75OT000043-01-04) has been awarded.” Information included in the body of the email indicated the following: “Application Type: Post Award Amendment” and “Amendment Type: Terminate” but did not indicate the termination was effective March 24, 2025. The effective date of the termination notice was indicated in the Notice of Award accessible by logging into GrantSolutions. The termination notice also indicated that all closeout reports must be submitted within thirty days of the notice, which contradicts the directive



in prior notices of award that closeout reports be submitted within 120 days of the period of performance end date.

51. Upon information and belief, Maine DHHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide the Disparities Grant funding it awarded to Maine DHHS. Maine DHHS has relied on the expectation of these funds to support the mitigation of health disparities among high-risk and underserved populations in Maine as they relate to COVID-19 morbidity and mortality rates, and to ensure Maine DHHS, community organizations, and healthcare facilities statewide are better prepared to mitigate health disparities among high-risk and underserved populations in the case of future public health emergencies.

52. Upon information and belief, as a result of the termination of funds, the ability of Maine DHHS, community organizations, and healthcare facilities statewide to mitigate COVID-19 related health disparities among high-risk and underserved populations will be limited. The ability for those same entities to be better prepared to mitigate health disparities among high-risk and underserved populations in Maine in the case of another public health emergency will be similarly limited. Specifically, tribal health centers and a community organization serving tribal communities will experience early termination of contracts that will impact their ability to mitigate health disparities among tribal populations. A major hospital system in Maine which supports the expansion of the rural clinical preceptors network to expand the workforce in rural areas will also experience an early termination. Additionally, projects intended to sustain rural school-based health centers statewide will be prevented from moving forward, and staffing capacity across the Office of Population Health Equity within the Maine CDC will be abruptly reduced, significantly limiting staff capacity to ensure the meaningful utilization of funds to sustain impacts beyond the expected grant period.

52. Upon information and belief, prior to the grant award termination as of March 24, 2025, CDC never provided Maine DHHS with notice, written or otherwise, that the grant administered by Maine DHHS, and the public health improvements effected with the grant funds administered by Maine DHHS, was in any way unsatisfactory.

**Community Health Care Workers for Public Health Response and Resilient Communities  
[6NU58DP007081-081-03-05]**

53. Upon information and belief, in 2021, the CDC invited applications for DP21-2109 Community Health Workers for COVID Response and Resilient Communities (“CCR”).

54. Upon information and belief, the purpose of this grant aims to strengthen the Community Health Worker (“CHW”) network across Maine, focusing on addressing COVID-19 disparities, improving health outcomes, and fostering resilience in rural areas, among racial and ethnic minorities, and within other at-risk populations.

55. Upon information and belief, as set out in its grant proposal, Maine DHHS intended to use the CCR to implement three core strategies designed to address the challenges posed by the pandemic and build long-term community resilience: training CHWs to support the COVID-19 response, expanding the CHW workforce to manage the spread of COVID-19 and enhancing utilization of resources to strengthen community resilience. This program provides critical services to individuals with uncontrolled asthma by teaching them to manage their symptoms which reduces the number of emergency room visits.

56. Upon information and belief, this grant was awarded on December 1, 2021, with a term to begin on December 30, 2021 and end on August 31, 2025. The amount received under this Notice of Award was \$ 995,698.

57. Upon information and belief, on December 1, 2021, CDC produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the

corresponding Notice of Award and its attachments, dated December 1, 2021, is attached as Exhibit G. As set forth therein, termination of the grant by CDC is permitted only if a recipient or subrecipient has a material failure to comply with the terms and conditions of this award. As also set forth therein, CDC must notify the recipient if the federal award is terminated for failure to comply with the federal statutes, regulations, or terms and conditions of the federal award.

58. Upon information and belief, since December 2021, Maine DHHS has used the CCR grant funds in a manner fully consistent with the CDC's statements regarding the nature of the grant and Maine DHHS's grant application. Maine DHHS submitted a carryover request asking permission to use CCR funds to implement the asthma self-management education program, which was approved by the CDC in the summer of 2024.

60. Upon information and belief, Maine DHHS has used CCR funds to provide grants to community health worker agencies to build CHW infrastructure for the next pandemic. CCR funding provided essential resources for building and enhancing the infrastructure necessary to support CHWs. Many sub-recipients used the funding to establish CHW-specific departments, implement structured workflows, and improve leadership capacity. These efforts enhanced operational efficiency and increased the reach of community health programs.

61. Upon information and belief, although Maine DHHS is still in the process of determining the amounts of any invoices processed after the date of termination for work done prior to the date of termination, the remaining funds committed by CDC to Maine DHHS as of March 24, 2025 was approximately \$281,343.40. These funds would have been used to continue to provide asthma management to approximately fifty identified people. A portion of those funds, approximately \$11,000, would have also been used to fund a portion of a senior health program manager's position through the original end date of September 30, 2025.

62. Upon information and belief, Maine DHHS has a long history of being an excellent custodian of all grant funding. Grants compliance is of the upmost importance and is demonstrated by all required grant being submitted before or on the due date, with none ever submitted late. Maine DHHS has been awarded non-compete funds annually since 2021, with the expectation that the grant cycle would end September 30, 2025. Maine DHHS has not received any negative feedback from CDC regarding its grant compliance.

63. Upon information and belief, on March 24, 2025, without any prior notice or indication, CDC informed Maine DHHS that effective March 24, 2025 its CCR grant was being terminated as of March 24, 2025. A true and correct copy of the grant award termination notice of award is attached as Exhibit H.

64. Upon information and belief, the Notice of Award stated the basis for the grant termination was: "The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out."

65. Upon information and belief, Maine DHHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide CCR funding it had awarded to Maine DHHS. Maine DHHS relied upon receiving these funds and encumbered them into contracts with five community partners providing critical services. The hardship caused by the lack of prior notice and termination of funds is that less people will be able to participate in the asthma management program which could result in an increased number of emergency room visits.

66. Upon information and belief, prior to the grant award termination on March 24, 2025, CDC never provided Maine DHHS with notice, written or otherwise, that the grant

administered by Maine DHHS, and the public health improvements effected with the grant funds administered by Maine DHHS, was in any way unsatisfactory.

### **Community Mental Health Block Grant**

67. Upon information and belief, in 2021, SAMHSA invited applications for American Rescue Plan Act (ARPA) of 2021 funding for the Community Mental Health Block Grant (MHBG).

68. Upon information and belief, states must spend the MHBG funds based on 42 U.S.C. Chapter 6A, Subchapter XVII, Part B, Subpart I: Block Grants for Community Mental Health Services for adults with serious mental illness (SMI) and children with serious emotional disturbance (SED). Consistent with HHS Disaster Relief Flexibilities, SAMHSA may waive requirements with respect to allowable activities, timelines, or reporting requirements for the MHBG, as deemed necessary to facilitate a grantee's response to coronavirus. SAMHSA encourages states to consider a focus on support of a behavioral health crisis continuum. An effective statewide crisis system affords equal access to crisis supports that meet needs anytime, anyplace, and for anyone.

69. Upon information and belief, as set out in its grant proposal, Maine DHHS intended to use the ARPA funding for the Community Mental Health Block Grant to invest in the expansion of a statewide implementation of Coordinated Specialty Care (CSC) for early intervention for psychotic disorders, evidence-based crisis intervention models including adult crisis receiving and supportive short-term stabilization sites in each region across the state, and a pilot program to deliver high-fidelity wraparound services to children with SED or Autism Spectrum Disorder.

70. Upon information and belief, the federal award date for the ARPA grant was May 17, 2021. The award, in the amount of \$5,599,279.00, was to fund the specified services for the entire award period – from October 1, 2021 to September 30, 2025.

71. Upon information and belief, on May 17, 2021, SAMHSA produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 17, 2021, is attached as Exhibit I. As set forth therein, termination of the grant by SAMHSA is only permitted if a recipient or subrecipient is found in violation of the Trafficking Victims Protection Act of 2000. SAMHSA may additionally terminate the grant, pursuant to 42 U.S.C. §300x-55, if Maine DHHS has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved.

72. Upon information and belief, since September 2021, Maine DHHS has used the ARPA grant funds in a manner fully consistent with SAMHSA's statements regarding the nature of the grant and Maine DHHS's grant application.

73. Upon information and belief, Maine DHHS has used and expended the funds consistent with the funding plan submitted and approved in 2021. Investments were made in expanding CSC services for early intervention for psychotic disorders, to support treatment and psychoeducation. Evidenced based crisis intervention models expanded as well to include adult crisis receiving and supportive short term stabilization sites in each region across the state. Additionally, Maine DHHS is in the process of implementing a program to deliver high-fidelity wraparound service. These funds have been supporting increased access to services for Maine citizens with serious mental illness (SMI) and/or serious emotional disturbance (SED) and training

to support implementation of the High Fidelity Wraparound services for qualifying children – “Wraparound Behavioral Health Home Services”.

74. Upon information and belief, although Maine DHHS is still in the process of determining the amounts of any invoices processed after the date of termination for work done prior to the date of termination, as of March 24, 2025 Maine DHHS had approximately \$1,900,000 of the award remaining to expend by the performance end date of September 30, 2025. These funds were encumbered in contracts with providers to carry out the SAMSHA-approved plan. The providers invoice Maine DHHS under these contracts for work performed in implementing the grant on varying schedules, some monthly and some quarterly. Maine DHHS draws down from the Payment Management System (PMS) as approved invoices or expenses are to be paid.

75. Upon information and belief, Maine DHHS has a long history of being an excellent custodian of all grant funding. Grants compliance is of the utmost importance and is demonstrated by all grant submissions being on time or early, and fully expending funds by the performance end periods. Maine DHHS meets with the SAMHSA Government Project Officer on a monthly basis to discuss the activities of the grant and is consistently complimented on being good stewards of the grant.

76. Upon information and belief, on March 24, 2025, without any prior notice or indication, SAMHSA informed Maine DHHS by email that effective March 24, 2025 its Community Mental Health Services Block Grant for American Rescue Plan Act grant was being terminated effective immediately as of that date – March 24, 2025. A true and correct copy of the grant award termination email is attached as Exhibit J.

77. Upon information and belief, the sole basis for the grant termination was that the Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (H.R.6074)



(CRRSA) and the American Rescue Plan (ARP) Act of 2021(H.R. 1319) were issued for a limited purpose: “To ameliorate the effects of the pandemic.” It went to say, “On April 10, 2023, President Biden signed PL 188-3 terminating the national emergency concerning the COVID-19 pandemic. The end of the pandemic provides cause to terminate COVID-related grants. Now that the pandemic is over, the grants are no longer necessary.” The grants were terminated “to reduce the overall Federal spending” as part of the implementation of the President’s “Department of Government Efficiency” Cost Efficiency Initiative requiring a comprehensive review of SAMHSA grants, and where appropriate and consistent with applicable law, to terminate such grants to reduce federal spending”.

78. Upon information and belief, this termination notice was sent to Maine’s State Mental Health Authority (SMHA) Commissioner outside of business hours at 5:50PM on March 24, 2025 and lacked information regarding appeal rights and process.

79. Upon information and belief, on March 28, 2025, SAMHSA sent notice which “replaces and supersedes the previous notice” terminating the grant “for cause” stating that termination is permitted if: “the state ‘has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved.’ The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out.” The March 28, 2025 notice did not, however, specify the terms or conditions of the agreement which it believes the state failed to comply with. A true and correct copy of the grant award termination email is attached as Exhibit K.

80. Upon information and belief, on March 29, 2025, SAMHSA sent a third email with instructions to find a Notice of Award regarding the grant. The Notice of Award, dated March 28, 2025, notified Maine DHHS that it was awarding a grant in the amount of \$0 for the period September 1, 2021 through March 24, 2025. The Notice of Award went on to state that the award was being terminated “for cause”. The stated basis for cause was, “state has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved. The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out.” A true and correct copy of the grant termination Notice of Award is attached as Exhibit L. However, these funds were awarded on a one-time basis to strengthen post-pandemic behavioral health services – *not* to address health challenges directly associated with the prior, COVID-19 public health emergency.

81. Upon information and belief, Maine DHHS relied and acted upon its expectation and understanding that SAMHSA would fulfill its commitment to provide ARPA funding it had awarded to Maine DHHS. Maine DHHS relied upon these funds to develop the necessary infrastructure for the expansion of these services. Maine DHHS and the citizens it serves have and will continue to endure substantial hardships due to the abrupt termination of these funds. Notice was given five minutes after the end of the day on which they were to terminate. This provided no notice for Maine DHHS to coordinate other funding sources to avoid any disruption of services. Contracts with subrecipients were established to deliver key components to implementation. Without funding, the future of the contracts are at stake and some key components may not be

deliverable. Moreover, this has the potential to negatively impact Maine DHHS' relationships with providers going forward and to put the viability of community-based providers at risk.

82. Upon information and belief, terminating this award will harm recipients of mental health services in Maine. Where these funds were allocated to support crisis services, the harmful impact of losing ARPA funds is widespread and may lead to higher acuity in vulnerable populations. CSC is a team based evidenced based practice designed to support individuals experiencing their First Episode of Psychosis (FEP). Longer durations of untreated FEP have been proven to result in negative outcomes for individuals and their families and increased treatment and stabilization expenses for states over the lives of the affected patients. As stated in the funding plan approved by DHHS SAMHSA, Maine DHHS has been using these funds to create the necessary infrastructure to respond to mental health service recipients' needs proactively. With the termination of this funding, the potential for early intervention is decreased, likely resulting in escalating crises, increased law enforcement involvement, and more frequent and long inpatient hospitalization for affected patients.

83. Upon information and belief, prior to the grant award termination, SAMHSA had never provided Maine DHHS with notice, written or otherwise, that the grant administered by Maine DHHS, and the public health improvements effected with the grant funds administered by Maine DHHS, was in any way unsatisfactory.

#### **Substance Abuse Prevention and Treatment (SABG) Block Grant Program**

84. Upon information and belief, in 2001, SAMHSA invited applications for ARPA Supplemental Funding for the Substance Abuse Prevention and Treatment (SABG) Block Grant Program Funding was allocated to the Substance Abuse Block Grant as part of ARPA to provide additional funds to support states to address the effects of COVID-19, including the exacerbation

of existing mental illness and substance use disorders. All regular provisions of the statute and regulations pertaining to the SABG are fully applicable to the planning and expenditure of the SABG ARPA Supplemental Funding. This includes, but is not limited to, the definitions, assurances, requirements, and restrictions of the SABG standard funding. The SABG allocation requires states to expend not less than twenty percent (20%) of their total allocation for substance use disorder (SUD) primary prevention services for individuals who do not require treatment for substance abuse.

85. Upon information and belief, as set out in its grant proposal, Maine DHHS intended to use the SABG to increase provider capacity to treat adolescents for substance use, increase access to medically supervised withdrawal and residential treatment services, decrease barriers to accessing medications for opioid use disorder, shore up the Maine's Primary Prevention system, and expand secondary prevention services. These objectives were carefully chosen to address specific challenges identified throughout Maine's substance use continuum of care as part of a comprehensive effort to address escalating overdose mortality and other comorbid conditions. From 163 deaths in 2012, overdose deaths increased over 200% to 504 in 2020. Rates of acute hepatitis C showed a similar trajectory, increasing by over 300% since 2012, and by over 50% between 2018 and 2019.

86. Upon information and belief, funding was allocated to the SABG through ARPA on March 11, 2021. Guidance was issued to the Single State Authority on May 18, 2021 indicating the purpose of the supplemental award, limitations, suggested activities, and instructions on how to submit proposals. Maine DHHS's proposal was submitted through the WebBGAS portal on July 30, 2021 for project period September 1, 2021 through September 30, 2025. Maine OBH was informed that the proposal was approved by Donna Barcher-Belber, SPO on October 29, 2021.

87. Upon information and belief, on May 17, 2021, SAMHSA produced a Notice of Award setting forth the terms and conditions of the grant award. A true and correct copy of the corresponding Notice of Award and its attachments, dated May 17, 2021, is attached as

88. Exhibit M. As set forth therein, termination of the grant by SAMHSA is only permitted if a recipient or subrecipient is found in violation of the Trafficking Victims Protection Act of 2000. SAMHSA may additionally terminate the grant, pursuant to 42 U.S.C. §300x-55, if Maine DHHS has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved.

89. Upon information and belief, since September 1, 2021, Maine DHHS has used the SABG funds in a manner fully consistent with SAMHSA's statements regarding the nature of the grant and Maine DHHS' grant application.

90. Upon information and belief, Maine DHHS has used funds to provide no-cost training to clinicians in children's residential treatment programs in the Adolescent Community Reinforcement Approach (A-CRA), catalyze the establishment and/or expansion of medically assisted detoxification and/or residential treatment services, fund the establishment and/or expansion of projects to facilitate low-barrier access to medications for opioid use disorder through a combination of technical assistance, mini-grants to support providers in reducing barriers to care, and providing innovative mobile treatment options. Funds have also been used to support Primary Prevention activities including addressing gaps in prevention interventions among high priority populations, supporting prevention community partners to deliver prevention interventions, enhancing mass reach health communications, and implementing screening for substance use issues among youth and young adults, and expanding secondary prevention services through community partners. This has included contracts with ten community-based prevention partners,

as well as evaluation support to effectively measure the impact of substance use on Maine youth. Funding has allowed Maine DHHS to increase access to treatment beds by 71%, and supported increases in access to medications for opioid use disorder, as well as access to naloxone hydrochloride, contributing to a substantial decrease in overdose mortality.

91. Upon information and belief, although Maine DHHS is still in the process of determining the amounts of any invoices processed after the date of termination for work done prior to the date of termination, as of March 24, 2025 Maine DHHS had \$1,286,848 of the award remaining to expend by the performance end date of September 30, 2025. These funds were placed into contracts with providers to carry out the approved plan, including to support increasing the number of beds available through a local medication assisted withdrawal program and delivering secondary and primary prevention services to reduce youth drug use and drug-related morbidity and mortality. Maine DHHS draws down from the PMS as approved invoices or expenses are to be paid.

92. Upon information and belief, Maine DHHS has a long history of being an excellent custodian of all grant funding, and has been a recipient of the SUBG (previously the Substance Abuse Prevention and Treatment Block Grant), since the program's inception in 1981. Grants compliance is of the utmost importance, and is demonstrated by grant submissions being on time or early, the timely completion of revision requests as required, and fully expending funds by the end of performance periods. Maine DHHS did not intend to request an extension of this award.

93. Upon information and belief, on March 24, 2025, without any prior notice or indication, SAMHSA informed Maine's DHHS Office of Behavioral Health by email that effective March 24, 2025 its that Community Mental Health Services Block Grant for American Rescue Plan Act grant was being terminated as of March 24, 2025. The notification did not specifically



identify the Substance Abuse Prevention and Treatment Block Grant for American Rescue Plan Act by name; however, a subsequent search of the DOGE website appeared to confirm the Substance Abuse Prevention and Treatment Block Grant for American Rescue Plan Act termination. A true and correct copy of the grant award termination email is attached as Exhibit N

94. Upon information and belief, the basis for the grant termination was that: “These grants were issued for a limited purpose: To ameliorate the effects of the pandemic. The end of the pandemic provides cause to terminate COVID-related grants. Now that the pandemic is over, the grants are no longer necessary.” The grants were terminated “to reduce the overall Federal spending” as part of the implementation of the President’s “Department of Government Efficiency” Cost Efficiency Initiative requiring a comprehensive review of SAMHSA grants, and where appropriate and consistent with applicable law, to terminate such grants. No other information or clarification was provided.

95. Upon information and belief, Maine DHHS received the termination email from SAMHSA outside normal business hours, at 5:50pm Eastern. There was no information regarding appeal rights and process. The notification did not specifically identify the Substance Abuse Prevention and Treatment Block Grant for American Rescue Plan Act; however, a subsequent search of the DOGE website appeared to confirm the Substance Abuse Prevention and Treatment Block Grant for American Rescue Plan Act termination. On March 25, 2025 the federal grant project officer re-sent the email to DHHS Mental Health program staff (not Substance Use Disorder staff) saying “While we do not currently have additional information to share at this time, you may send me any questions you have, and I will send them to our leadership.” On March 25, 2025 at 4:31pm the federal grant project officer sent an email saying: “It is expected that states will soon receive updated Notice of Awards for their terminated COVID Supplemental funds.



States will also receive information in the near future on how to drawdown funds for work conducted prior to March 24.” On March 28, 2025 at 1:06pm Maine DHHS received an email termination notice that “replaces and supersedes the previous notice.” The rationale for the termination was slightly altered: “The termination of this award is for cause. The block grant provisions at 42 U.S.C. §300x-55 permit termination if the state “has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved. The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and cooperative agreements are no longer necessary as their limited purpose has run out. Termination of this award is effective as of 11:59PM EDT, March 24, 2025.” The email referred to an opportunity for a hearing and appended a .pdf document entitled “95-8648 BG hearing procedure.”

96. Upon information and belief, on March 29, 2025, at 12:18 am SAMHSA sent a email with instructions to find a Notice of Award regarding the grant. The Notice of Award, dated March 28, 2025, notified Maine DHHS that it was awarding a grant in the amount of \$0 for the period September 1, 2021 through March 24, 2025. The Notice of Award went on to state that the award was being terminated “for cause”. The stated basis for cause was: “the block grant provisions at 42 U.S.C. 300x-55 permit termination if the state has materially failed to comply with the agreements or other conditions required for the receipt of a grant under the program involved. The end of the pandemic provides cause to terminate COVID-related grants and cooperative agreements. These grants and cooperative agreements were issued for a limited purpose: to ameliorate the effects of the pandemic. Now that the pandemic is over, the grants and

cooperative agreements are no longer necessary as their limited purpose has run out.” A true and correct copy of the grant termination Notice of Award is attached as Exhibit O.

97. Upon information and belief, Maine DHHS relied and acted upon its expectation and understanding that HHS would fulfill its commitment to provide SABG funding it had awarded to Maine DHHS. The remaining funds were largely committed to local community-based providers and organizations. As a result, Maine DHHS is forced to consider terminating planned programs with critical services.

98. Upon information and belief, the termination of funds may force Maine DHHS to terminate planned programs intended to reduce substance use among youth, increase access to critical substance use services, and continue to reduce drug-related morbidity and mortality. This includes terminating contracts to increase medical assistance withdrawal beds and cutting programs that support the delivery of primary prevention services to youth. The termination of funds will put the viability of community-based providers at risk, particularly those who serve people with substance use disorders and youth at risk of developing substance use disorders as a result of exposure to adverse childhood experiences.

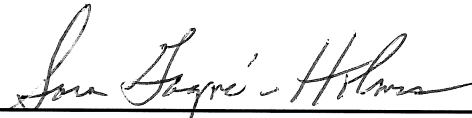
99. Upon information and belief, prior to the grant award termination on March 24, 2025, SAMHSA had never provided Maine DHHS with notice, written or otherwise, that the grant administered by Maine DHHS, and the public health improvements effected with the grant funds administered by Maine DHHS, was in any way unsatisfactory.

100. Upon information and belief, the immediate harms that this termination has caused and will cause include: limitations on Maine DHHS’s ability to ensure access to vaccines for children; a decreased ability to protect public health with respect to chronic disease and substance use; harm to all recipients of mental health services in Maine, including adults, children, and

families; and decrease in resources to support planned programs intended to reduce substance use among youth, increase access to critical substance use services, and continue to reduce drug-related morbidity and mortality. The relationships Maine DHHS has established with community and statewide partners will be harmed by Maine DHHS's inability to honor its commitments to implement and pay for programming, threatening the viability of community-based providers.

I declare under penalty of perjury under the laws of the United States that, to the best of my knowledge, the foregoing is true and correct.

Executed on March 31, 2025, at Augusta, Maine

A handwritten signature in cursive script, reading "Sara Gagné-Holmes", is written over a horizontal line.

Sara Gagné-Holmes, Commissioner  
State of Maine, Department of Health  
and Human Services